



USDA/NASS  
New Mexico Field Office

# Weekly Ag Update

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## INCLUDED IN THIS ISSUE - NOVEMBER 6, 2006

Crop Weather    Agricultural Prices    Livestock Outlook

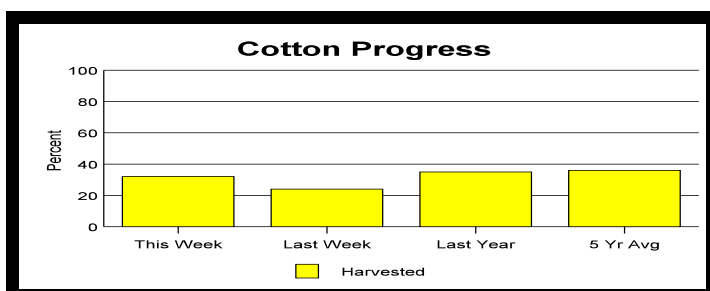
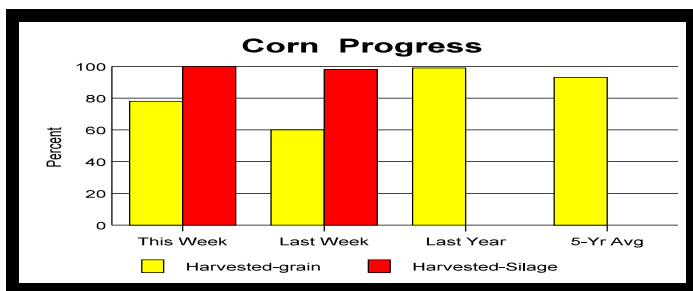
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## CROP SUMMARY FOR THE WEEK ENDING NOVEMBER 5, 2006

**NEW MEXICO:** There were 6.8 days suitable for field work. Topsoil moisture was 6% very short, 28% short, 59% adequate and 7% surplus. Wind damage was 7% light and 1% moderate. Freeze damage was reported as 29% light, 13% moderate and 3% severe. Hail damage was reported as 1% light and 1% moderate. Farmers spent the week harvesting various crops and irrigating wheat and grasses. Alfalfa was reported as 1% very poor, 6% poor, 34% fair, 36% good and 23% excellent, with 87% of the sixth cutting complete and 25% of the seventh cutting complete. Irrigated sorghum was reported as 95% mature and 23% harvested for grain. Dry sorghum was reported as 85% mature and 5% harvested for grain. Total sorghum was reported as 88% mature and 11% harvested. Irrigated winter wheat condition was reported as mostly fair to excellent with 100% emerged. Dry winter wheat condition was reported as mostly fair to good with 100% emerged. Total winter wheat condition was reported as 1% poor, 43% fair, 48% good and 8% excellent with 100% emerged. Peanuts were reported as 85% harvested. Lettuce condition was reported as fair to excellent. Onion conditions were reported as 16% poor, 16% fair, 34% good and 34% excellent with 98% planted. Pecan conditions were reported as fair to excellent. Cotton was reported as 32% harvested. Chile condition was reported as 8% very poor, 36% poor, 33% fair and 23% good. Red chile was reported as 64% harvested. Corn was reported as 78% harvested for grain and 100% harvested for silage. Cattle conditions were reported at 1% poor, 12% fair, 67% good and 20% excellent. Sheep conditions were reported as 1% poor, 12% fair, 81% good and 6% excellent. Range and pasture conditions were reported as 8% very poor, 12% poor, 18% fair, 46% good and 16% excellent. Ranchers are moving cattle to winter pasture and shipping calves.

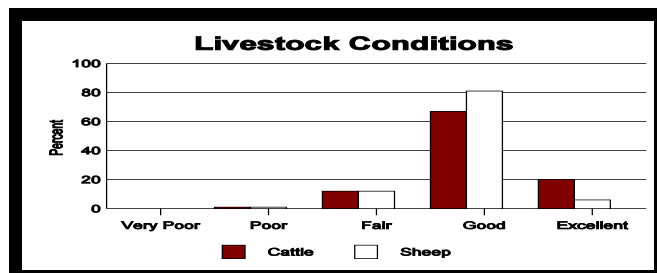
## CROP PROGRESS PERCENTAGES WITH COMPARISONS

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CHILE	Harvested-red	64	59	58	54
CORN	Harvested-grain	78	60	99	93
CORN	Harvested-Silage	100	98	N/A	N/A
COTTON	Harvested	32	24	35	36
ONIONS	Planted	98	96	100	98
PEANUTS	Harvested	85	84	78	74
SORGHUM	Harvested	11	3	18	30
SORGHUM	Mature	88	85	83	84



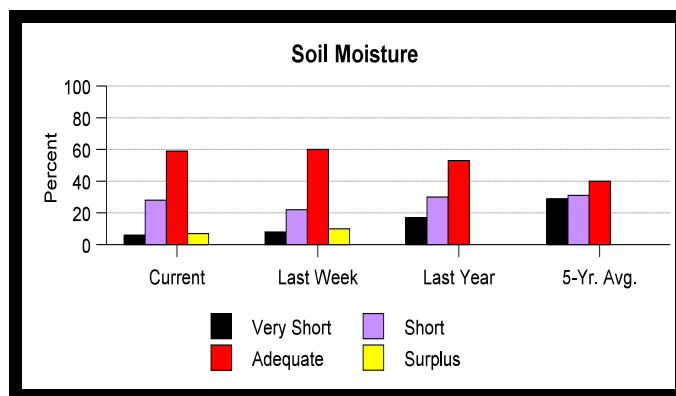
## CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	1	6	34	36	23
Chile	8	36	33	23	---
Lettuce	---	---	25	25	50
Onions	---	16	16	34	34
Pecans	---	---	22	64	14
Cattle	---	1	12	67	20
Sheep	---	1	12	81	6
Range/Pasture	8	12	18	46	16
Wheat (All)	---	1	43	48	8



# SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	11	29	48	12
Northeast	8	33	58	1
Southwest	---	10	73	17
Southeast	---	33	65	2
State Current	6	28	59	7
State-Last Week	8	22	60	10
State-Last Year	17	30	53	---
State-5-Yr Avg.	29	31	40	---



## WEATHER SUMMARY

New Mexico experienced a generally dry week, with temperatures averaging about 3 degrees above normal. The only precipitation was from some spotty showers in the south at the beginning of the week. Ruidoso (0.22") and Truth or Consequences (0.02") were the only locations that measured rainfall.

### NEW MEXICO WEATHER CONDITIONS - OCTOBER 30 - NOVEMBER 6, 2005

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	10/30 11/06	11/01 11/06	Normal Nov.	01/01 11/06	Normal Jan-Nov
Farmington	46.7	66	26	0.00	0.00	0.94	8.23	8.12
Gallup	43.4	64	22	0.00	0.00	0.95	12.82	11.91
Capulin	41.4	64	19	0.00	0.00	0.67	14.87	16.94
Chama	39.2	61	17	0.00	0.00	1.72	19.76	19.81
Johnson Ranch	40.4	64	18	0.00	0.00	0.69	11.40	10.85
Las Vegas	44.5	66	22	0.00	0.00	0.58	16.16	18.36
Los Alamos	44.3	61	26	0.00	0.00	1.02	12.82	17.64
Raton	43.0	67	21	0.00	0.00	0.61	12.98	16.22
Red River	35.1	53	15	0.00	0.00	1.18	20.55	19.33
Santa Fe	43.8	64	22	0.00	0.00	0.63	14.23	13.21
Clayton	45.1	73	18	0.00	0.00	0.52	13.89	14.80
Clovis	50.0	78	28	0.00	0.00	0.73	13.76	16.97
Roy	43.0	68	22	0.00	0.00	0.50	14.37	15.29
Tucumcari	49.9	76	24	0.00	0.00	0.51	15.29	13.90
Grants	43.1	67	22	0.00	0.00	0.58	11.75	10.14
Quemado	41.1	65	14	0.00	0.00	0.45	12.62	13.04
Albuquerque	51.7	68	35	0.00	0.00	0.43	11.54	8.38
Carrizozo	47.2	69	26	0.00	0.00	0.76	12.58	12.07
Socorro	50.1	71	26	0.00	0.00	0.47	13.67	8.95
Gran Quivera	47.1	66	25	0.00	0.00	0.91	17.50	14.92
Moriarty	43.0	68	16	0.00	0.00	0.40	13.73	12.17
Ruidoso	42.8	64	22	0.22	0.00	0.88	31.02	19.72
Carlsbad	54.9	80	35	0.00	0.00	0.59	12.67	12.38
Roswell	48.1	76	28	0.00	0.00	0.55	15.38	12.38
Tatum	48.6	75	27	0.00	0.00	0.55	19.85	15.57
Alamogordo	56.7	72	38	0.00	0.00	0.71	15.97	11.92
Animas	57.5	77	39	0.00	0.00	0.71	12.59	10.62
Deming	55.0	77	32	0.00	0.00	0.64	12.37	9.73
Las Cruces	55.6	78	37	0.00	0.00	0.53	13.85	8.72
T or C	55.4	75	35	0.02	0.00	0.60	11.06	9.22

(T) Trace (-) No Report (\*) Correction

All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

## AGRICULTURAL PRICES RECEIVED

**NEW MEXICO:** Alfalfa hay prices for October decreased 10 dollars to \$167.00. Alfalfa prices were \$127.00 at this time last year. All hay prices dipped to \$165.00, \$9.00 below the previous month. Cow prices increased 60 cents, to \$43.90 in October \$2.40 below last year. Steer and heifer prices decreased to \$106.00, while calf prices fell to \$124.00. Milk cow replacements were \$1,630.00, \$200.00 below last year, but only 20 dollars below the U.S. average. Milk prices increased 40 cents to \$13.00, \$1.80 below last year.

**Prices Received by Farmers: Selected Commodities, September 2006 and October 2005-06**

Commodity	Unit	New Mexico			U.S. <sup>1/</sup>
		Oct. 2005	Sept. 2006 <sup>2/</sup>	Oct. 2006 <sup>1/</sup>	Oct.
-----Dollars-----					
<b>CROPS</b>					
Grain Sorghum	Cwt.	—	—	—	5.14
Cotton, Upland	Lb.	—	—	—	.459
Potatoes	Cwt.	—	—	—	5.74
Hay, all baled	Ton	125.00	174.00	165.00	107.00
Alfalfa, baled	Ton	127.00	177.00	167.00	112.00
Peanuts	Lb.	—	—	—	.174
Corn	Bu.	—	—	—	2.72
Wheat, all	Bu.	—	—	—	4.65
<b>LIVESTOCK</b>					
Sheep <sup>3/</sup>	Cwt.	—	—	—	31.70
Lambs <sup>3/</sup>	Cwt.	—	—	—	98.50
Cows	Cwt.	46.30	43.30	43.90	46.00
Steers & Heifers	Cwt.	110.00	113.00	106.00	94.40
Calves	Cwt.	130.00	131.00	124.00	131.00
Milk Cow Replacement <sup>4/</sup>	Head	1,830.00	---	1,630.00	1,650.00
Milk	Cwt.	14.80	12.60	13.00	13.30

<sup>1/</sup> Mid-month. <sup>2/</sup> Entire month. <sup>3/</sup> September - Entire Month. <sup>4/</sup> Animals sold for dairy herd replacement only. Prices available for Jan., Apr., Jul., and Oct.

## LIVESTOCK OUTLOOK

USDA, ERS, October 19, 2006

**Cattle Sector Focused on Crop and Grazing Conditions:** The corn crop remains in relatively good condition with harvest 41-percent complete (as of October 15, 2006), but behind both last year and the 5-year average, and the projected corn crop is for 10.9 billion bushels. Sixty-nine percent of the soybean acreage has been harvested, 5 points behind last year, but 4 points ahead of the 5-year average, with the crop estimated at 3.19 billion bushels. Wheat emergence is ahead of both 2005 and the 5-year average in Texas, ahead of last year, but behind the 5-year average in Kansas, and behind last year and the 5-year average in Oklahoma.

Yearling feeder cattle prices averaged \$114.01 in September, just over 1 percent above September 2005 prices. However, yearling feeder cattle prices have slipped in recent weeks due to higher corn prices, field work, and a wait-and-see attitude motivated, in part, by last year's similar but unsustainable start toward wheat pasture development. Cash fed cattle prices have also slipped to the \$88 per cwt range, although February 2007 and April 2007 futures prices are still near \$90 per cwt. Cattle prices in the \$86-\$88 per cwt range will break even with \$111-\$114.50 per cwt feeder cattle and \$3.00 per bushel of corn. A 25-cent change in corn prices is equal to an inverse change of roughly \$1-\$1.50 per cwt for feeder cattle. Despite record inventories of cattle on feed, cattle feeders are dominating the packer-feeder shuffle, and an apparent backlog of fed cattle may turn out to be a case of feeder cattle placements that were earlier than usual, while marketings may be more or less normally distributed. This is borne out in marketings reported in NASS' August and September 2006 *Cattle on Feed* reports that are comparable to the last several years.

September commercial heifer slaughter is shaping up as one of the smallest for that month going back to 1973-74. Heifer slaughter for the summer quarter 2006, down about 4 percent from a year ago, is only the lowest since the early 1990s, during the expansion phase of the previous cattle cycle. Beef cow slaughter for the 2006 summer quarter is about 26 percent above the relatively low year-earlier levels, reflecting both earlier beef cow culling because of dry pasture conditions and current seasonal culling. The reduced heifer slaughter and increased cow slaughter indicate possible heifer retention, with heifers being more attractive to over-winter than cows that could be culled.

Year-to-date cattle slaughter for 2006, about 4 percent higher than year-earlier slaughter, is generating year-to-date beef production that is up almost 6 percent over year-earlier levels. With pork production and poultry production also higher, supplies of all meats are adequate. These supplies are exerting downward pressure on beef prices at a time when seasonal prices ordinarily begin increasing.

Since early September and except for a short period in the Spring 2006, the weekly spread between Choice and Select beef has been below year-earlier levels, and, since late September, has been below the 5-year-average levels for the first time this year. It has been declining since its June 10, 2006 peak. The proportion of cattle grading Choice or better remains below normal, indicating that feedlot inventories are relatively current and that the problem of cattle not reaching Choice grade still exists. Third-quarter retail prices for beef were down by 1 percent from the third quarter 2005 price. September retail prices for Choice beef were down by 1 percent from August, 2006, but virtually unchanged from September 2005. Relatively lower retail prices for competing meats are making beef less attractive for featuring and are exerting pressure on retail beef prices. Despite this, steaks and other middle cuts were expected to be featured during the first part of October 2006 and roasts and other end cuts later in the month. Wholesale-to-retail price spreads for the third quarter 2006 were down by 12 percent from third-quarter 2005 levels. While farm to-wholesale price spreads were up by 32 percent for the same period, monthly farm-to-wholesale price spreads have narrowed dramatically, by 49 percent, since their June 2006 peak of 56.9 cents per pound.

U.S. beef is trickling into Japan, which has just reported its 29th confirmed case of BSE. No beef movement has begun into South Korea as traders await resolution of bone fragment discussions.